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MINUTES

REGULAR MEETING OF THE HOUSING COMMISSION OF THE CITY OF ALAMEDA HELD WEDNESDAY, NOVEMBER 15, 2006

The Commission meeting was called to order at 7:04 p.m., with Chair Gormley presiding.

PLEDGE OF ALLEGIANCE

1. ROLL CALL

Present: Commissioners Balde, King, Kurrasch, and Chair Gormley.

Absent: Commissioner Trujillo.

2. CONSENT CALENDAR

Commissioner Kurrasch moved to adopt the Consent Calendar. Commissioner Balde seconded. Motion carried unanimously. All items accepted or adopted are indicated with an asterisk.

- *2-A. Minutes of the Housing Commission Special Meeting held October 2, 2006. Minutes were accepted.
- *2-B. Budget Variance Report. This report was accepted.
- *2-C. Quarterly Investment Report. The Housing Commission accepted the report on the Housing Authority's investment portfolio as of September 30, 2006.
- *2-D. Contract Awarded to Community Playgrounds to Complete Playground Rehabilitation at Parrot Village and Eagle Village. Commissioner King asked if there is an agency to report the original contractor to. Executive Director Pucci is not aware of an agency to report a bad contractor. He went on to say they would not get a recommendation from the Housing Authority. He explained how the original contractor, Kids Play, hired a sub-contractor to do the playground installation. No one was supervising the work and nothing was completed. We had no contract with the sub-contractor and Kids Play was non-responsive to our concerns. Commissioner Kurrasch questioned why the City Manager wanted this to go to the Board of Commissioners. He explained the City Manager wasn't comfortable awarding the contract on an emergency bases. The equipment has been purchased but some materials, such as the concrete and rubber base, need to be purchased. Commissioner Torrey stated he was disappointed because only one lot was done Commissioner King moved to acceptance and Commissioner Kurrasch seconded. This report was accepted.

3. AGENDA

- 3-A. Requesting Comments on Independence Plaza Ponds Options. Mr. Pucci stated Independence Plaza is a great complex for the tenants, community, and staff to manage. There are very few problems other than the decks needing some work, the exterior needing painting, and the need for additional parking spaces. The biggest problems are the ponds, because of the constant maintenance. When there are failures it can take weeks or months to fix. Several options were gathered from professionals and staff came up with an economical solution. Part of the problem is that they are like a swimming pool without a filter. Without having someone skim the ponds routinely, they become clogged. He discussed the recommendations including trimming the trees, remove the trees, or eliminate the ponds.

Commissioner King recommended eliminating the ponds and replace with greenery around it. This way it would eliminate mosquitoes and the money saved on maintenance could be used for the additional parking spaces. Tree trimming or tree removal will not solve the ongoing maintenance problem

Commissioner Kurrasch agreed to an extent. He feels after already spending money, the ponds are in good shape. Before any action is taken, direction needs to come from the Resident Council.

Chair Gormley mentioned the Town Hall meeting in January. She recommended this is the time the Commission needs to hear from the residents.

Larry Caudle, President of the Independence Plaza Resident Council, spoke on the ponds. He discussed a response to a letter he submitted to the Housing Authority. He stated the pumps are still not working even after the last expense. The pumps work in the morning but are low in the afternoon. He explained the system is flawed, it needs a back wash system. This would wash out the debris, during the off-time, into the drains. He recommended having fountains surrounded by tables and landscaping. This would eliminate the mosquitoes, ducks and rodents. Mr. Pucci said having a fountain is a good suggestion.

Mr. Caudle said when they skim the ponds, there are very few leaves. The rocks present a trip hazard to those who skim the ponds.

Commissioner Kurrasch would like this topic presented at the Town Hall meeting. He recommends input and it may take more than one meeting. Mr. Pucci said the ponds are great when they are working, but they are terrible when they are not.

Commissioner Kurrasch liked the idea of replacing the ponds with something easy to maintain and eliminating the trip hazard for tenants, grandkids, and maintenance staff.

Mr. Caudle suggested using the area as a barbeque area which could be reserved.

Chair Gormley enjoys the sound of the ponds but feels it needs further discussion. Mr. Pucci said a fountain could produce the same sounds.

Staff noted the comments from the Housing Commission on the options regarding the Independence Plaza ponds.

- 3-B. Esperanza Budget and Finance Overview. Mr. Pucci explained the finance problems at the Esperanza Complex. Esperanza is the only public housing project in the City, it's completely funded by HUD and by tenant rents. We get a HUD subsidy for operations and capital improvement, and tenant rents. The HUD subsidies have been diminishing. He explained in the last nine years, there was only one year where we received a 100 percent subsidy. HUD is only funding 80% in the next fiscal year. The complex is getting older, needing many improvements. He went on to explain the report. He discussed the needs assessment and said the ten year total may be low. Averages are \$386K per year in expenses. Rents have gone down due to turnover and more vacancies. New tenant have lower incomes than the tenants moving out. We can only charge 30 percent of income in rent.

Commissioner Kurrasch questioned HUD's funding and said it seems there will be a growing deficit in addition to higher costs for materials. Mr. Pucci explained Esperanza would need an additional \$400K to \$500K per year, every year, over the next ten years. This year will require a transfer of \$637K.

Commissioner King read the back of her business card which discusses the quality of life for all Alamedans. She said from a business point it doesn't make sense to put money into this complex, however people live there and have nothing to do with the business part. Most of the people have low incomes and couldn't qualify for home ownership. Converting Esperanza to home ownership wouldn't be an option. She said if our last public housing project was sold to a non-profit agency, then what is the

point of the Housing Authority being in business. Her recommendation is to explore more options, maybe asking HUD for more funding. We need to think about the people who live there, giving them an incentive to move. She also said we can't keep spending money on something that is not working.

Commissioner Kurrasch said we should be vigilant on how HUD funds in the future in case there is a big change in public housing. He's not sure how much longer we can fund Esperanza out of reserves.

Mr. Torrey feels this should be discussed at the Esperanza Town Hall meeting. He mentioned the agenda item was folded over and tenants could not read it.

Commissioner Kurrasch said we should proceed carefully on how to approach this. These are just discussion options at this point.

Commissioner King asked for elaboration on selling to a non-profit. Mr. Pucci said HUD is preparing for this and that over 300,000 public housing units have been demolished over the years. He said some have been replaced and some have not. Some were not rebuilt because they weren't in viable neighborhoods. Esperanza can be disposed by selling it to a non-profit, or a for-profit, and setting terms to run as an affordable housing complex. This would take it out of public housing. Rents could be set to cover expenses. Extremely low income people would have to pay more for rent. Another program is called "Moving to Work". Oakland Housing is starting a program based on this model. This gives housing authorities more flexibility, they could keep the same rules or change them. This would allow us to hold on to Esperanza and do more things to it. Another option is to take the capital fund subsidy and leverage it and use it to sell bonds. It might only amount to \$900K because our funding is so small. Another option is the HOPE VI program, which is a revitalization program. Oakland, Richmond and San Francisco Housing Authorities have HOPE VI programs. He discussed how San Francisco demolished old units near Fisherman's Wharf and rebuilt new and attractive units. He suggested taking a field trip to Pittsburgh which has a mixed-income project. They gave vouchers to the tenants and said they could move back once the renovations were completed, if they were qualified with good credit and crime-free. Richmond did the same thing. Harbor Island Apartments were discussed and it was mentioned they were privately owned. Mr. Pucci feels a decision may have to be made within the next six months because of the funding. He mentioned 157 affordable units at Alameda Point that may be built and could be available to our families.

Commissioner King asked how many vacancies at Esperanza. Mr. Pucci replied one.

Chair Gormley asked for direction on where to go from here. He said next month more information will be provided and the Commission may visit another Housing Authority. The important thing is to get more background on this for what HUD is doing to get a feel for what's in store in the future. Discussions will continue, more information will be forthcoming, and this will be brought back at the next meeting. It's very important to include the tenants in the process. He discussed homeownership but feels it is unrealistic for the majority.

Commissioner King asked if funds could be put aside for first and last months rent for tenants who have to move. Mr. Pucci described how Contra Costa Housing Authority assisted tenants. He feels Esperanza is in good shape and would rather find funding to fix half the units at a time with little displacement of tenants. He doesn't feel a complete tear down is the answer.

Mr. Torrey explained how most of the interiors of the units at Esperanza have been updated. He feels the exterior needs updating because of cracking on the exterior.

Mr. Pucci encouraged Commissioners to participate in discussions NAHRO is having at their conferences in the future.

Staff recommended opening discussions about the future of Esperanza with residents and Alameda Citizens.

4. ORAL COMMUNICATIONS

Larry Caudle, Resident Council President, spoke about the ponds (see 3-A).

5. COMMISSIONER COMMUNICATIONS

Commissioner King wished everyone a Happy Thanksgiving.

Commissioner Balde asked about the Estuary project. The project is at the foot of Grand Street on the left. The City passed an ordinance that anything over 10 units, outside of a redevelopment area, 15 percent have to be affordable for low or moderate. In redevelopment areas, 25 percent of the units have to be affordable. He discussed other projects that will have affordable housing.

Commissioner Kurrasch and Torrey wished everyone a Happy Thanksgiving.

Chair Gormley discussed her NAHRO conferences to Atlanta, Georgia and Tucson, Arizona. She discussed a seminar on fraud she took which was very interesting.

6. ADJOURNMENT

There being no further discussion, Chair Gormley adjourned the meeting at 8:10 p.m.

Nancy W. Gormley, Chair

Attest:

Michael T. Pucci
Executive Director / Secretary